

Newmarket Economic Development: Moving Toward a Strategy



PRESENTATION AND DISCUSSION
SEPTEMBER 16, 2013

Regional Economic Overview



- **Regional Growth Sectors**
 - *Administrative and support services* (particularly office administrative services, services to buildings, business support services)
 - *Accommodation and food services* (particularly food services and drinking places)
 - *Health care and social assistance* (particularly ambulatory health care)
 - *Professional and technical services* (particularly architecture and engineering, computer systems design)

Regional Economic Overview



- **Growth Niches within Other Regional Sectors**
 - Electronic markets and agents/brokers (e.g., internet sales)
 - Financial investment activities
 - Personal and laundry services
 - Credit intermediation (.e.g., banking)
 - Repair and maintenance

Regional Economic Overview



- UNH spin-offs have not been a regional economic driver but university is strengthening its commercialization efforts
 - ✦ Office for Research Partnerships and Collaborations
 - ✦ Interoperability Laboratory (testing and validating systems communications) – partnerships with leading tech corporations
 - ✦ Support for New Hampshire Innovation Commercialization Center (tech business acceleration)

Regional Economic Overview

- Wages in Growth Sectors Range from Low to Moderate

Average Weekly Wage by Sector: Rockingham-Strafford Counties, 2011 (Highest Regional Growth Sectors in Green)

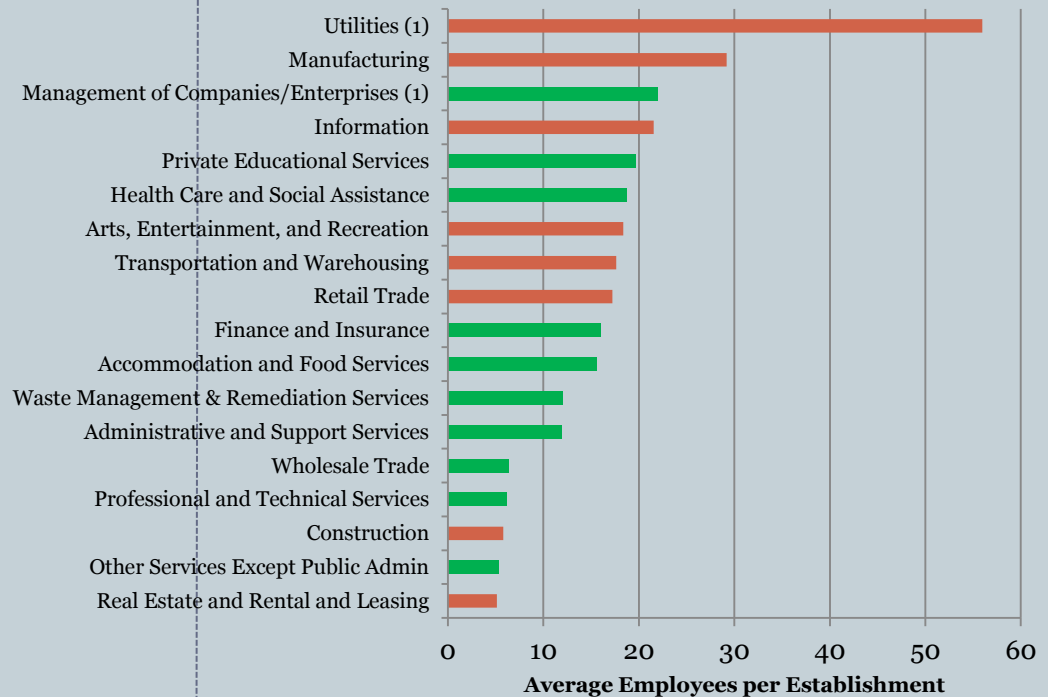


(1) Data for Rockingham County only - Strafford County data suppressed for confidentiality reasons

Regional Economic Overview

- Businesses in growth sectors need limited space
- Establishments in most growth industries have an average employment size of < 20 in Rockingham-Strafford counties

**Average Employees per Establishment :
Rockingham-Strafford Counties, 2011 (Growth
Sectors in Green)**



(1) Data for Rockingham County only - Strafford County data suppressed for confidentiality reasons

Source: N.H. Employment Security

Regional Economic Overview

- Between 73% and 92% of establishments in growth industry sectors have fewer than 20 employees

Distribution of Establishment Size by Industry, in Order of Industry Growth: Rockingham-Stafford Counties, 2011									
Industry	Number of Employees per Establishment								
	1-4	5-9	10-19	20-49	50-99	100-249	250-499	500-999	1000+
Total	40.8%	24.9%	17.5%	10.9%	3.0%	2.2%	0.3%	0.2%	0.2%
Administrative and Support Services	69.4%	12.2%	7.6%	5.3%	2.1%	2.7%	0.1%	0.6%	0.0%
Accommodation and Food Services	40.8%	24.9%	17.5%	10.9%	3.0%	2.2%	0.3%	0.2%	0.2%
Health Care and Social Assistance	48.3%	19.2%	13.4%	11.6%	2.9%	2.9%	0.0%	1.7%	0.0%
Professional and Technical Services	68.6%	12.2%	7.8%	5.8%	2.3%	2.6%	0.1%	0.5%	0.0%
Wholesale Trade	41.1%	17.8%	13.7%	15.1%	2.7%	8.2%	0.0%	1.4%	0.0%
Finance and Insurance	67.4%	14.6%	10.1%	5.7%	1.5%	0.6%	0.2%	0.0%	0.0%
Private Educational Services	73.4%	16.5%	6.6%	2.8%	0.5%	0.3%	0.0%	0.0%	0.0%
Other Services Except Public Administration	53.0%	21.9%	16.4%	4.8%	1.4%	1.2%	0.7%	0.4%	0.2%
Waste Management & Remediation Services	61.1%	12.5%	9.7%	11.1%	4.2%	1.4%	0.0%	0.0%	0.0%
Management of Companies/Enterprises	54.9%	16.8%	6.5%	12.0%	7.1%	2.2%	0.5%	0.0%	0.0%
Utilities	54.6%	13.9%	14.9%	7.8%	4.7%	3.7%	0.0%	0.3%	0.0%
Arts, Entertainment, and Recreation	42.2%	26.0%	15.8%	9.0%	3.4%	2.8%	0.8%	0.0%	0.0%
Real estate and Rental and Leasing	51.8%	19.7%	13.5%	11.1%	2.9%	0.9%	0.2%	0.0%	0.0%
Transportation and Warehousing	38.0%	20.8%	12.2%	14.2%	7.3%	5.0%	1.6%	0.7%	0.2%
Information	72.6%	14.5%	6.8%	4.5%	1.1%	0.5%	0.0%	0.0%	0.0%
Manufacturing	35.7%	10.7%	14.3%	25.0%	7.1%	0.0%	3.6%	3.6%	0.0%
Retail Trade	75.0%	0.0%	25.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Construction	95.5%	4.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<div> <div></div> Growing <div></div> Stable <div></div> Declining </div>									

Source: County Business Patterns, U.S. Census Bureau

Regional Economic Overview

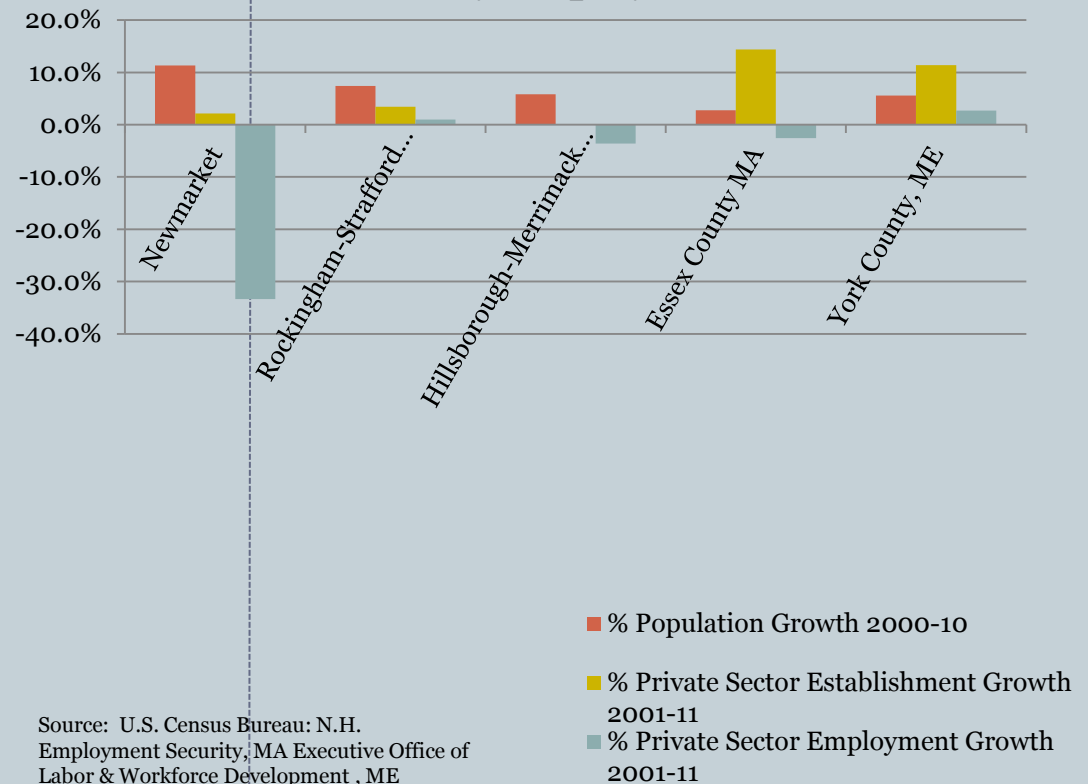


- 10,000 square feet will accommodate the space needs of new establishments in growth industries with 20 employees or less
 - Office: 275-450 sf/employee: up to 9,000 sf
 - Medical office: 225-275 sf/employee: up to 5,500 sf
 - Restaurant: 100-450 sf/employee: up to 9,000 sf
 - R&D: 250-300 sf/employee: up to 6,000

Newmarket in the Regional Economy

- Newmarket exceeds regional peer groups in population growth but generally lags in establishment and employment growth

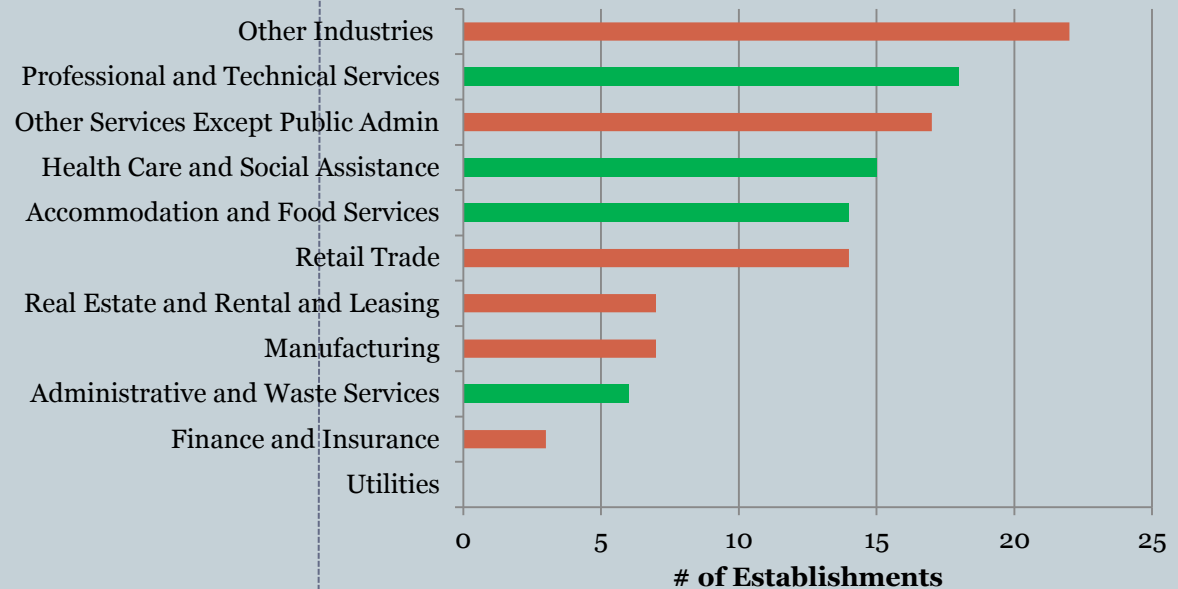
Ten-Year Growth Comparisons: Population, Private Establishments, & Private Wage & Salary Employment



Newmarket in the Regional Economy

- Existing strengths in some regional growth sectors

**Number of Establishments by Industry Sectors:
Newmarket 2011 (Regional Growth Sectors in Green)**



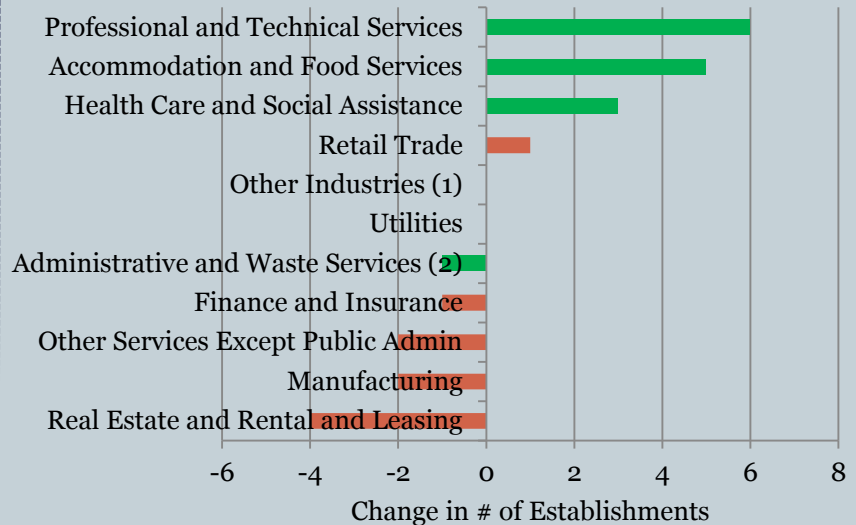
Note: Other industries include agriculture/forestry/fishing, mining, construction, wholesale trade, transportation & warehousing, information, management of companies/enterprises, private educational services, and arts, entertainment & recreation. Individual data on these industries was suppressed for confidentiality reasons.

Source: N.H. Employment Security

Newmarket in the Regional Economy

- And strong growth in the same sectors ... but lagging in another regional growth sector

**Change in Number of Establishments
by Industry Sector: Newmarket, 2001-11
(Regional Growth Sectors in Green)**



(1): Other industries include agriculture/forestry/fishing, mining, construction, wholesale trade, transportation & warehousing, information, management of companies/enterprises, private educational services, and arts, entertainment & recreation. Individual data on these industries was suppressed for confidentiality reasons.

(2): Administrative and Waste Services is not broken out into its two component parts, Administrative Services and Waste Management Services, at the local level; At the regional level, Administrative Services comprises over 90% of total establishments

Source: N.H. Employment Security

Newmarket in the Regional Economy



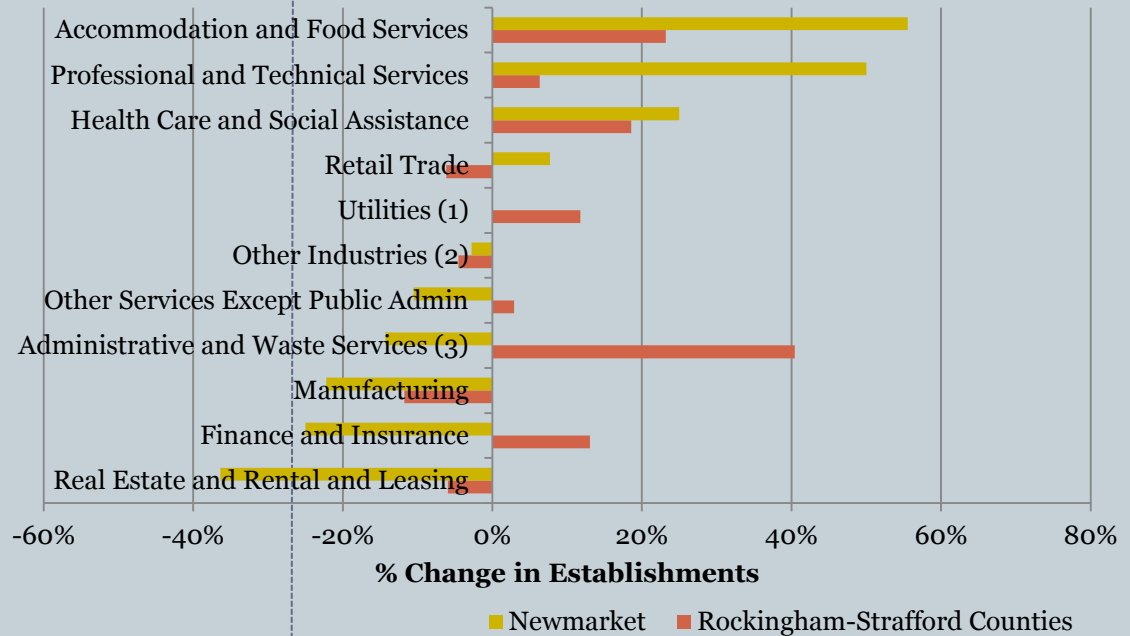
- **Self-employment**

- Does not show up in the local statistics but should not be ignored
- Approximately 12% of Rockingham County residents are self-employed, primarily in
 - ✦ Professional, scientific and technical services
 - ✦ Construction
 - ✦ Real estate
 - ✦ Other services
- Many home-based

Newmarket in the Regional Economy

- Newmarket leads its closest peer region and establishment growth in 3 key growth sectors (strength), but lags in another (opportunity)

Percentage Change in Establishments: Newmarket vs. Rockingham-Strafford Counties, 2001-11



(1)) Data for Rockingham County only - Strafford County data suppressed for confidentiality reasons

(2): Other industries include agriculture/forestry/fishing, mining, construction, wholesale trade, transportation & warehousing, information, management of companies/enterprises, private educational services, and arts, entertainment & recreation. Individual data on these industries in Newmarket was suppressed for confidentiality reasons.

(3): Administrative and Waste Services is not broken out into its two component parts, Administrative Services and Waste Management Services, at the local level; At the regional level, Administrative Services comprises over 90% of total establishments

Source: N.H. Employment Security

Newmarket in the Regional Economy



- Data support the assumption that creating jobs for residents is not a primary concern
 - Average unemployment rate 4.5% in 2012 (5.5% statewide)
 - Only 15% of Newmarket workers work in town

SWOC*



- **Strengths**

- Growing town in a growing region
- New England small-town appeal – lifestyle entrepreneurs
- Pleasant, walkable downtown and waterfront
- Available sites for small-scale conversions and new development
- Relatively permissive zoning regulations
- Diverse workforce and housing stock

*Strengths, Weaknesses, Opportunities, and Challenges

SWOC



- **Weaknesses**

- Less transportation accessibility than some surrounding communities
- Few large, developable commercial sites, and those that exist have significant deficiencies
- Not known as encouraging to developers
- Insufficient information about available and potential sites
- Cumbersome process of development regulation

SWOC



- **Opportunities**

- Growth opportunities in industries that are a good fit (e.g., professional, technical & scientific services, administrative services, health care, food services)
- Potential for small tech spin-offs from UNH
- Development of vacant and underutilized sites north and south of downtown
- Home-based businesses grow into commercial space

SWOC



- **Challenges**

- Changing perception of Newmarket as place to do business
- Providing more information to prospective developers and businesses
- Improving regulatory processes while maintaining sufficient controls
- Need to balance desire to maintain small town character with need for more commercial tax base

Implications for Strategy

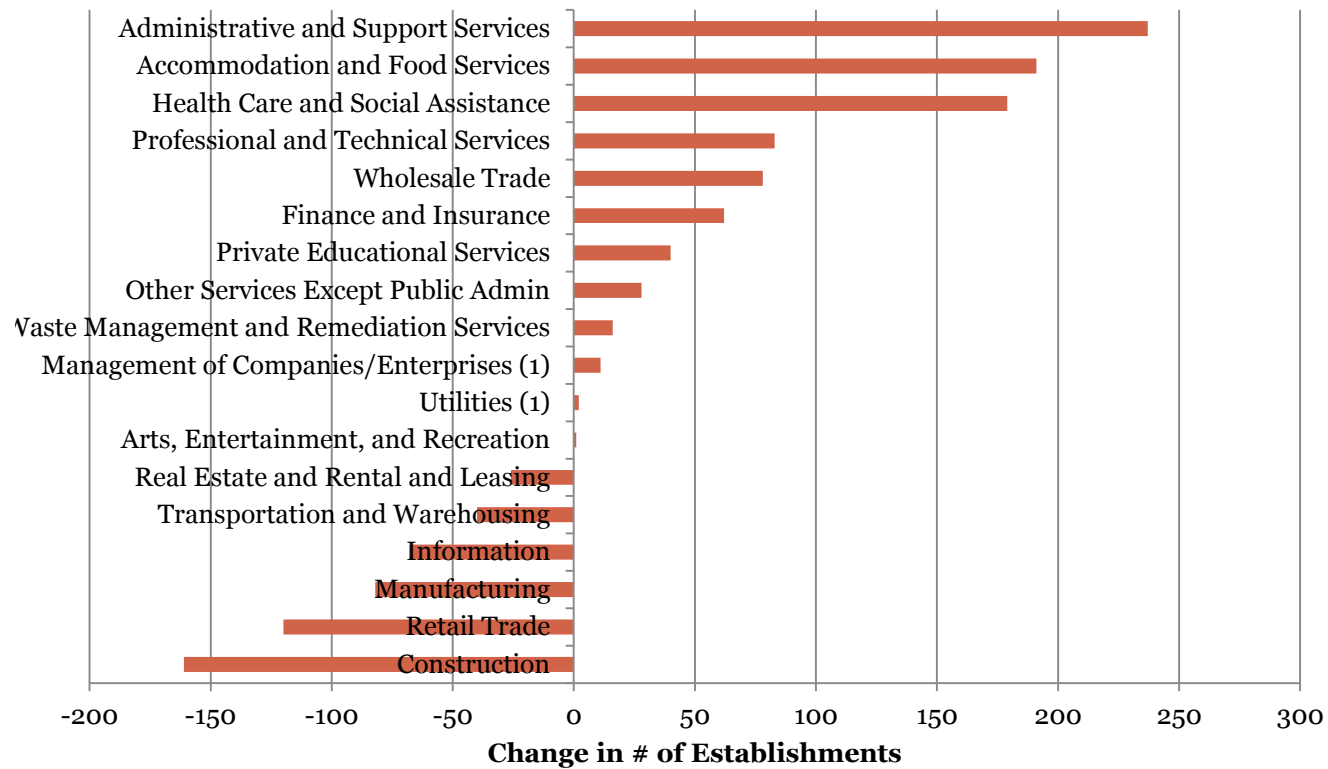


- Image
- Information
- Real estate inventory
- Targeted marketing (with regional and state partners)
- Business retention and expansion
- Regulatory streamlining
- Repurposing large industrial sites

Appendix: Regional Employment Data



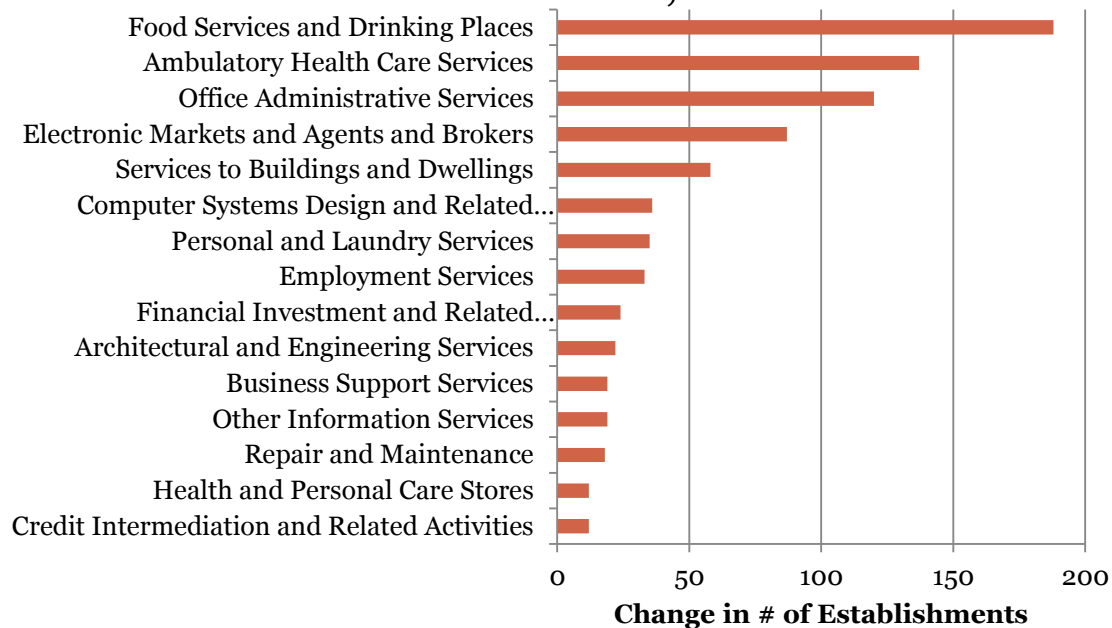
Change in Number of Establishments by Industry Sector: Rockingham-Strafford Counties, 2001-11



(1) Data for Rockingham County only - Strafford County data suppressed for confidentiality reasons

Source: N.H. Employment Security

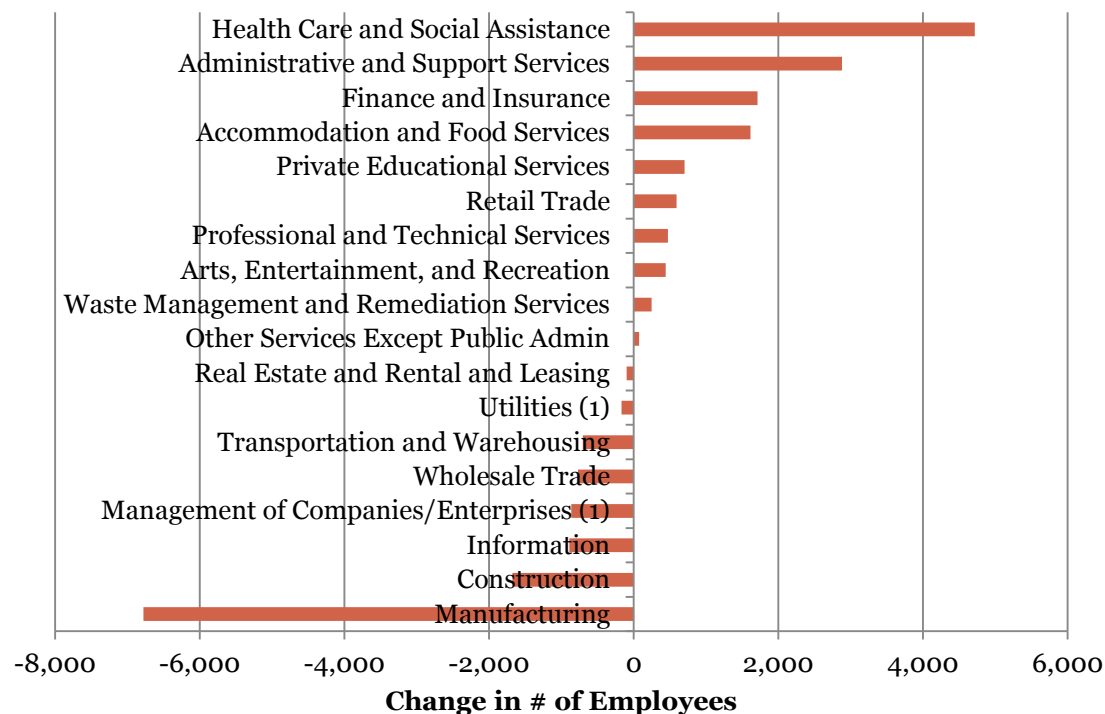
Industry Sub-sectors with Highest Establishment Growth: Rockingham- Strafford Counties, 2001-11



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Source: N.H. Employment Security

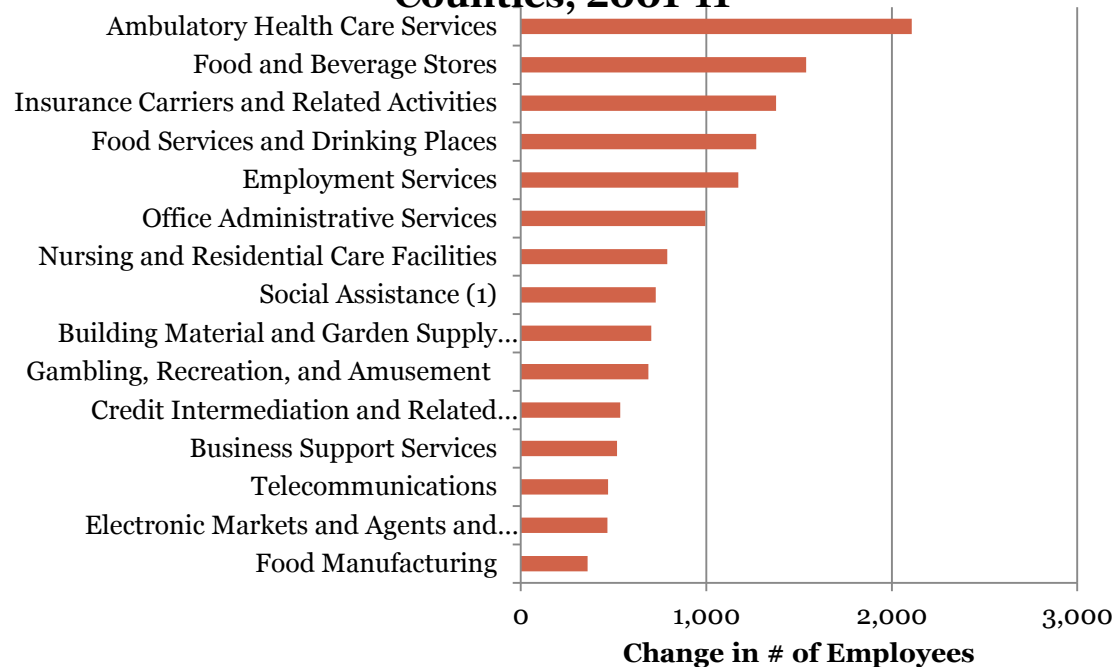
Change in Employment by Industry Sector: Rockingham-Strafford Counties, 2001-11



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Source: N.H. Employment Security

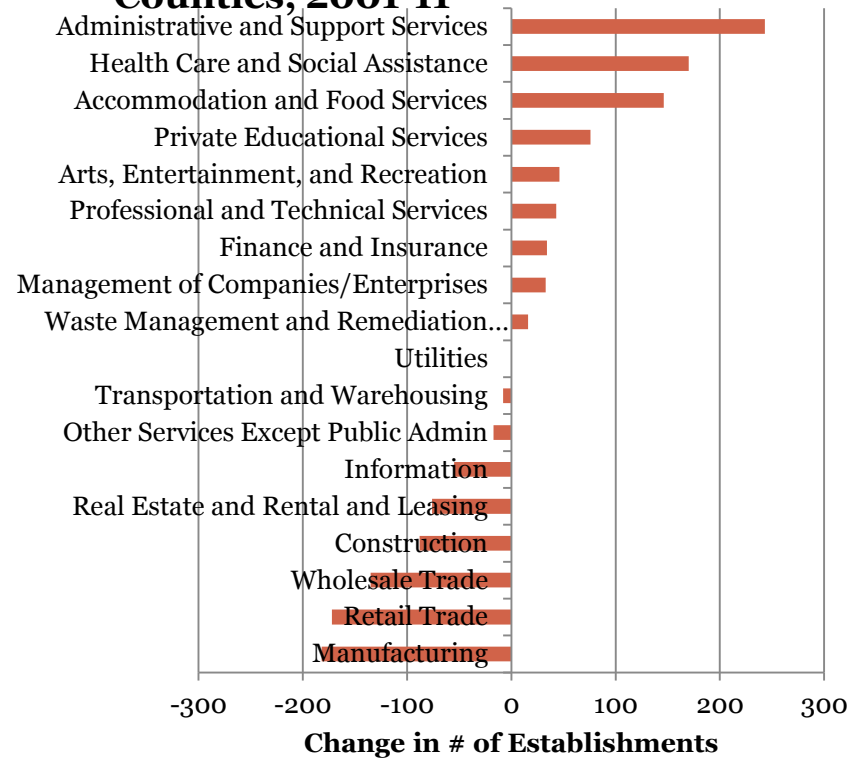
Industry Sub-sectors with Highest Employment Growth: Rockingham-Strafford Counties, 2001-11



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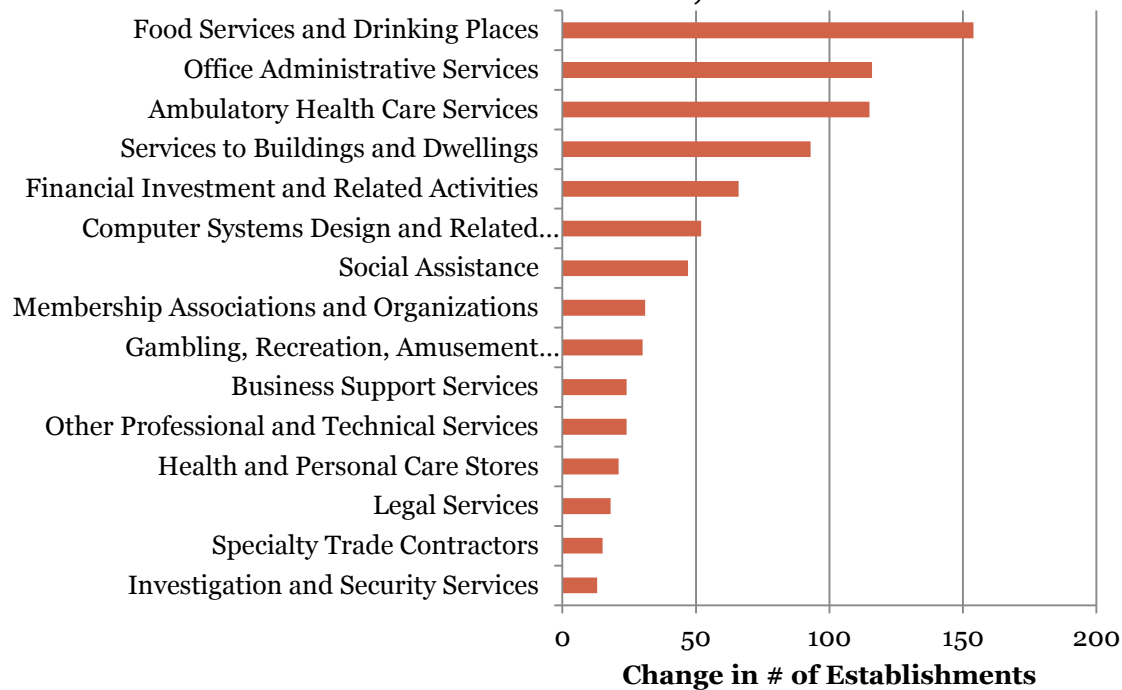
Source: N.H. Employment Security

Change in Number of Establishments by Industry Sector: Hillsborough-Merrimack Counties, 2001-11



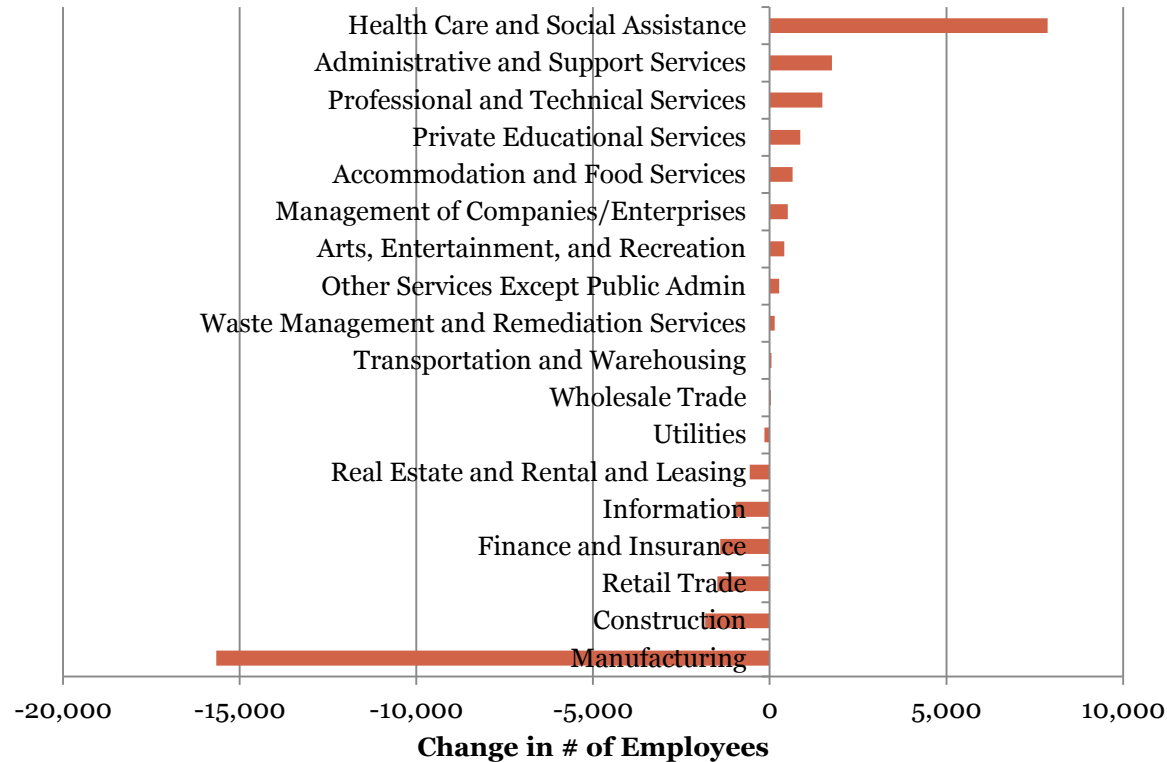
Source: N.H. Employment Security

Industry Sub-sectors with Highest Establishment Growth: Hillsborough- Merrimack Counties, 2001-11



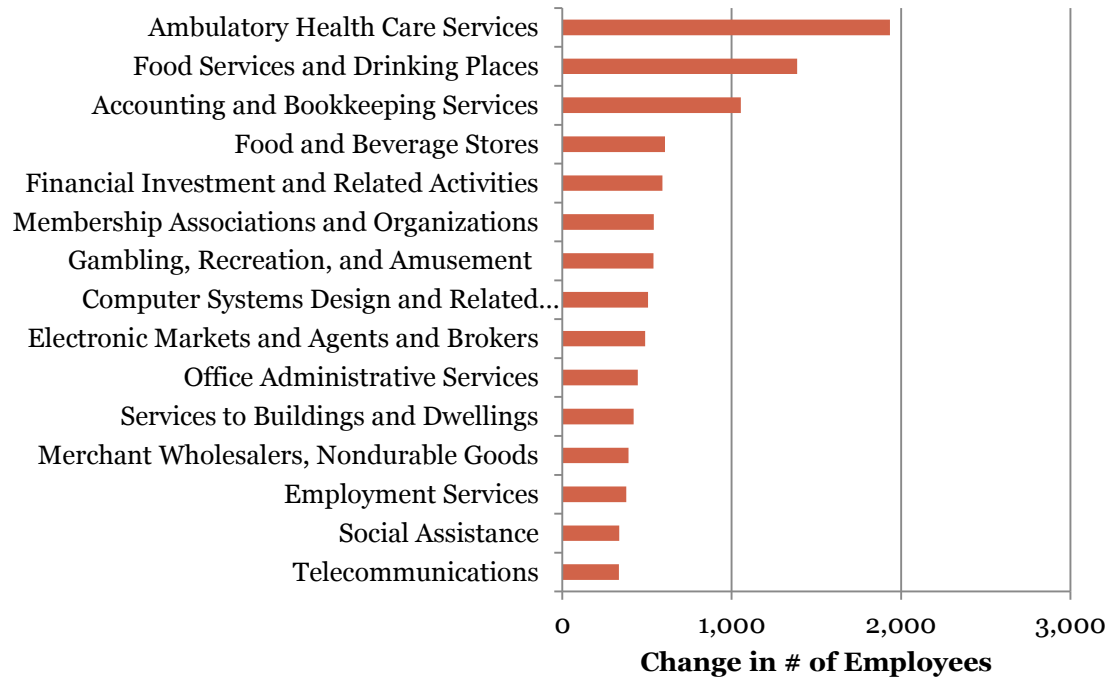
Source: N.H. Employment Security

Change in Employment by Industry Sector: Hillsborough-Merrimack Counties, 2001-11



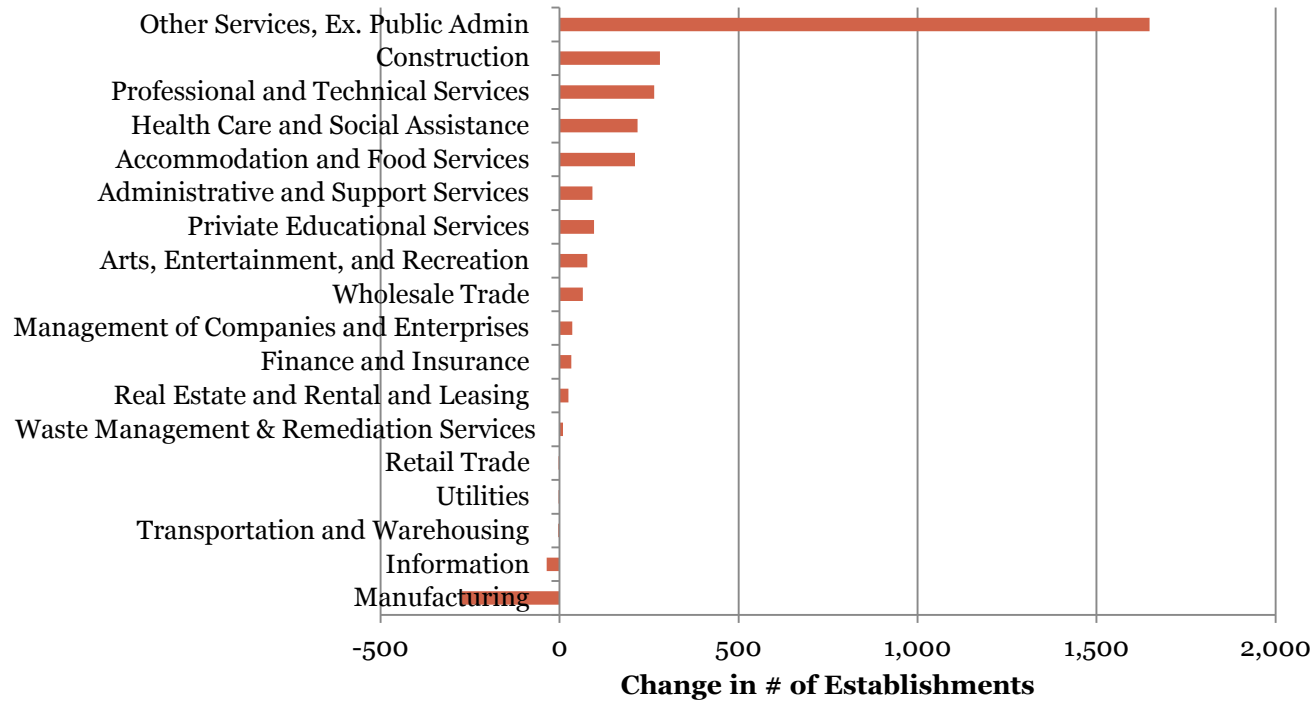
Source: N.H. Employment Security

Industry Sub-sectors with Highest Employment Growth: Hillsborough- Merrimack Counties, 2001-11



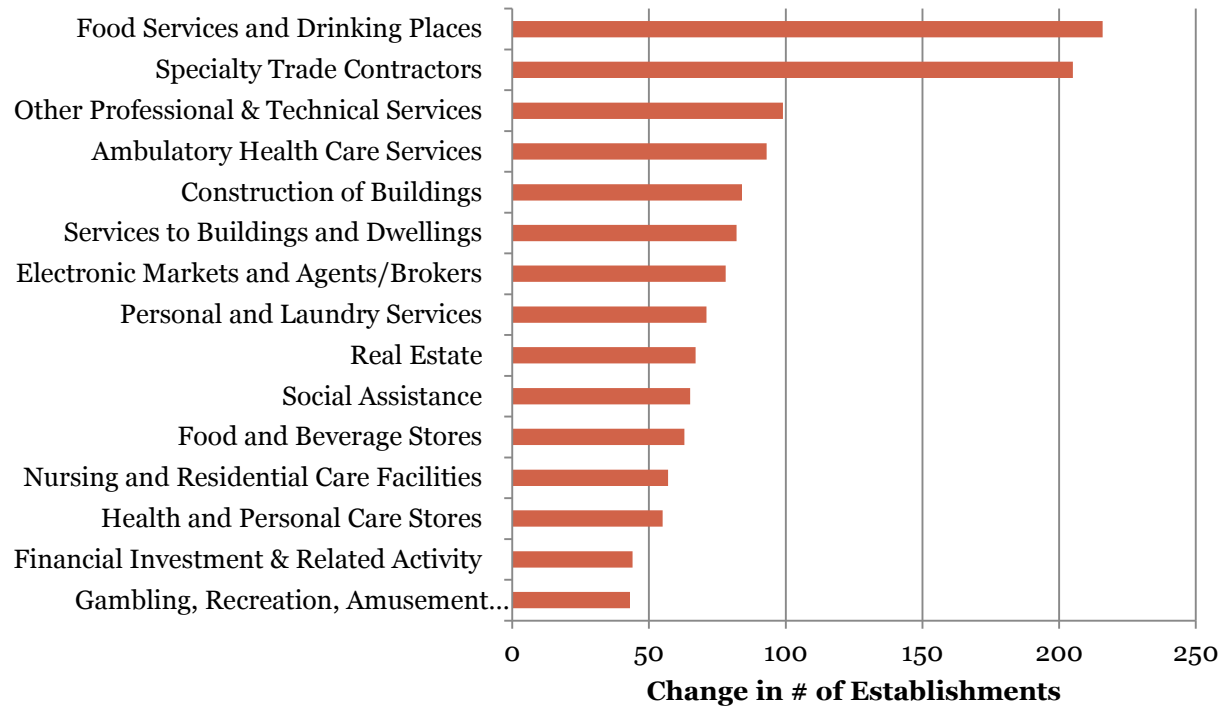
Source: N.H. Employment Security

Change in Number of Establishments by Industry Sector: Essex County, MA, 2001-11



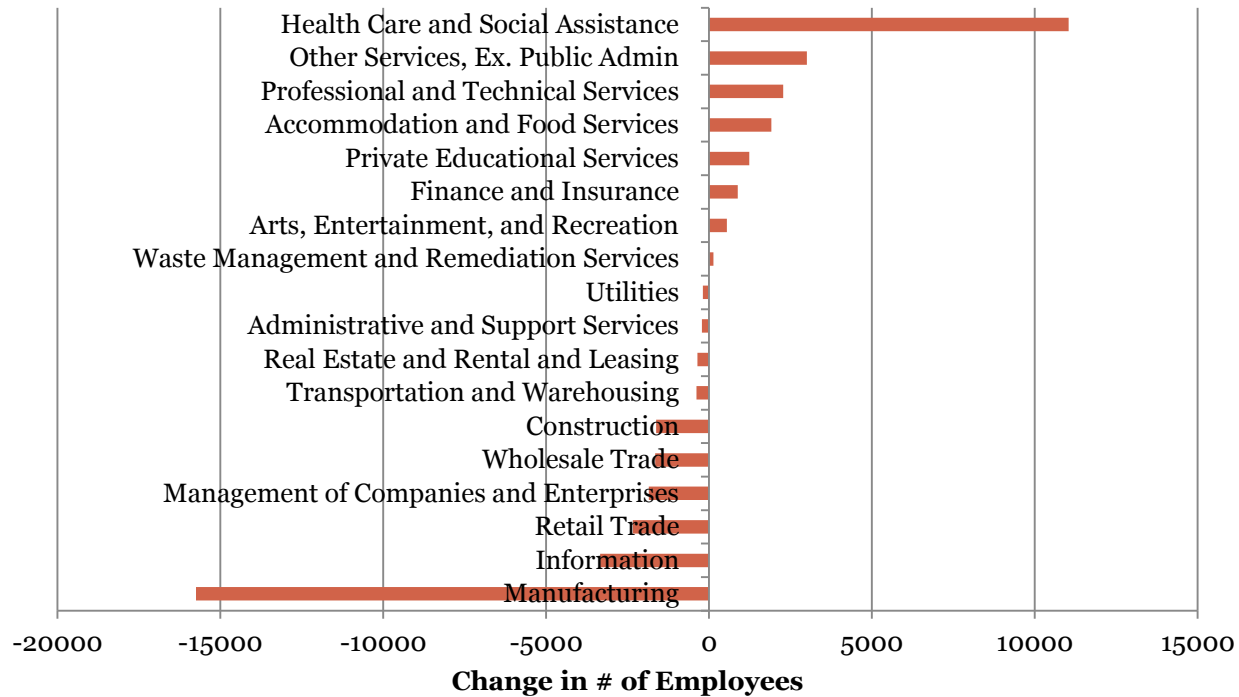
Source: MA Executive Office of Labor & Workforce Development

Industry Sub-sectors with Highest Establishment Growth: Essex County, MA, 2001-11



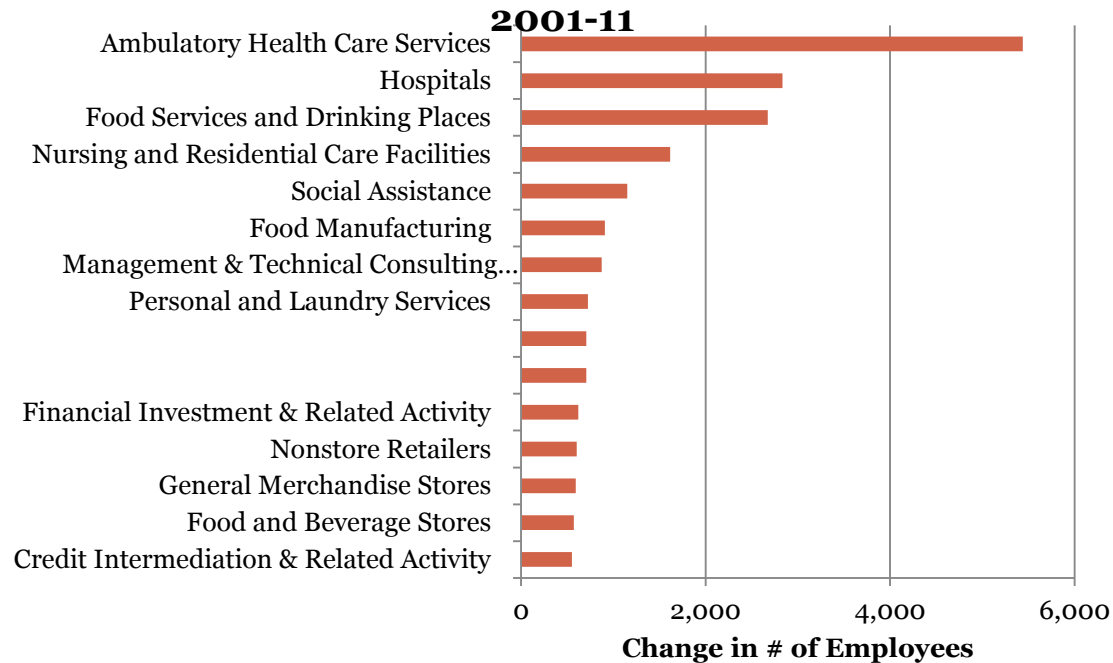
Source: MA Executive Office of Labor & Workforce Development

Change in Employment by Industry Sector: Essex County, MA, 2001-11



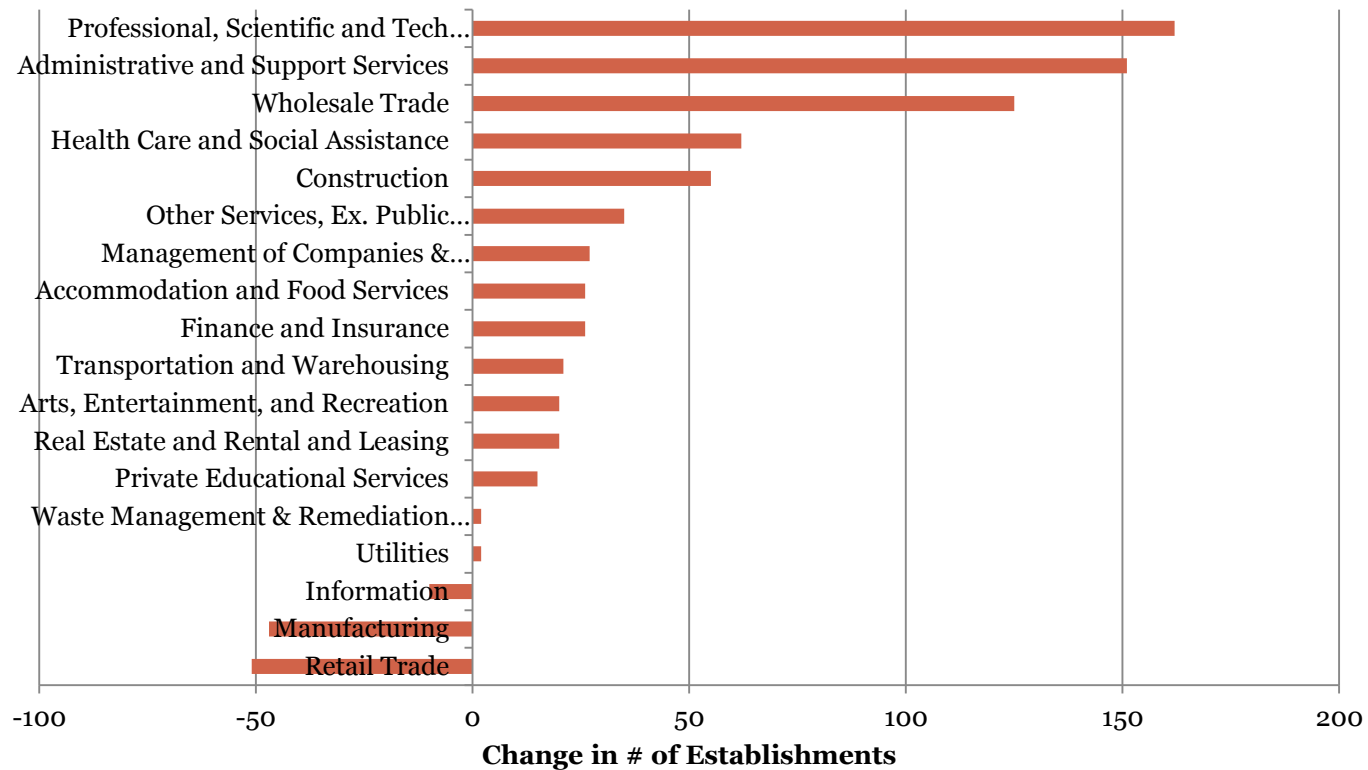
Source: MA Executive Office of Labor & Workforce Development

Industry Sub-sectors with Highest Employment Growth: Essex County, MA,



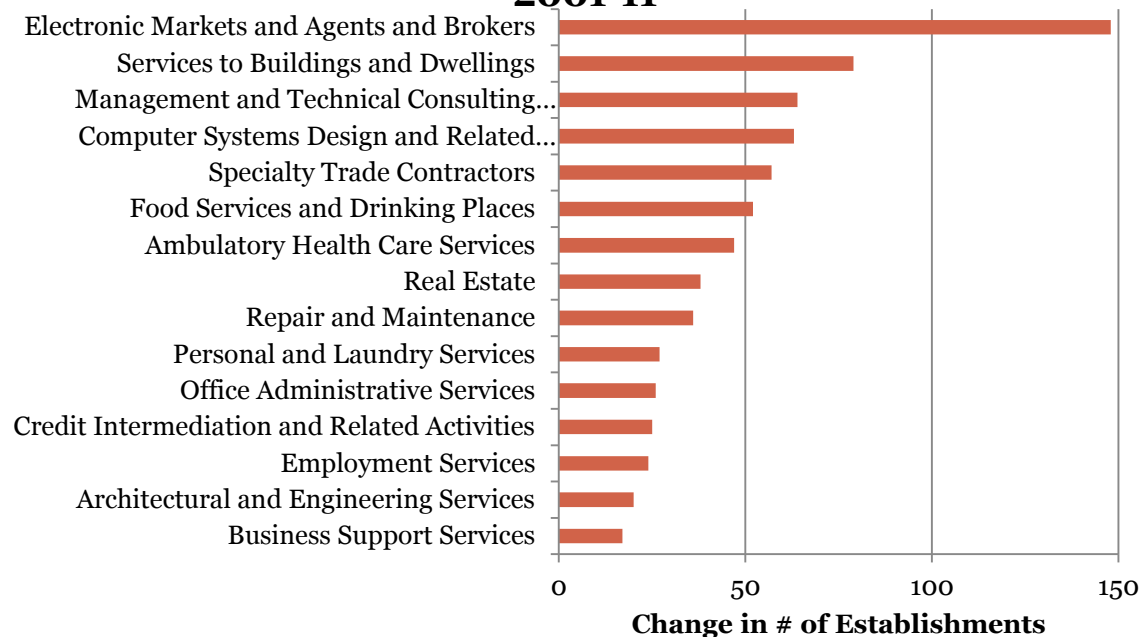
Source: MA Executive Office of Labor & Workforce Development

Change in Number of Establishments by Industry Sector: York County, ME, 2001-11



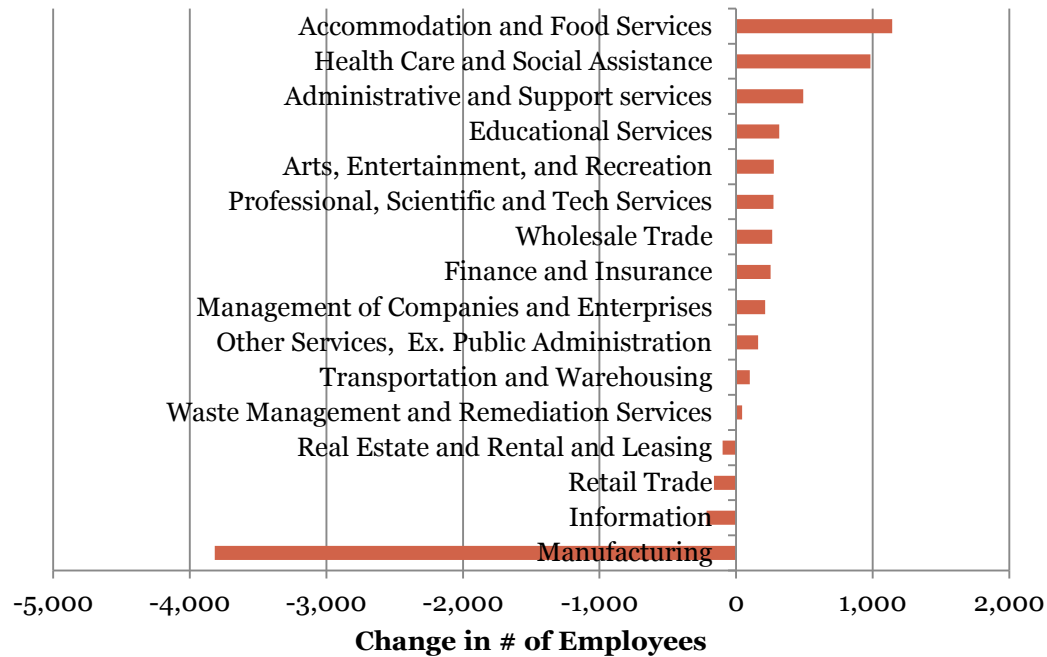
Source: Maine Department of Labor

Industry Sub-sectors with Highest Establishment Growth: York County, ME, 2001-11



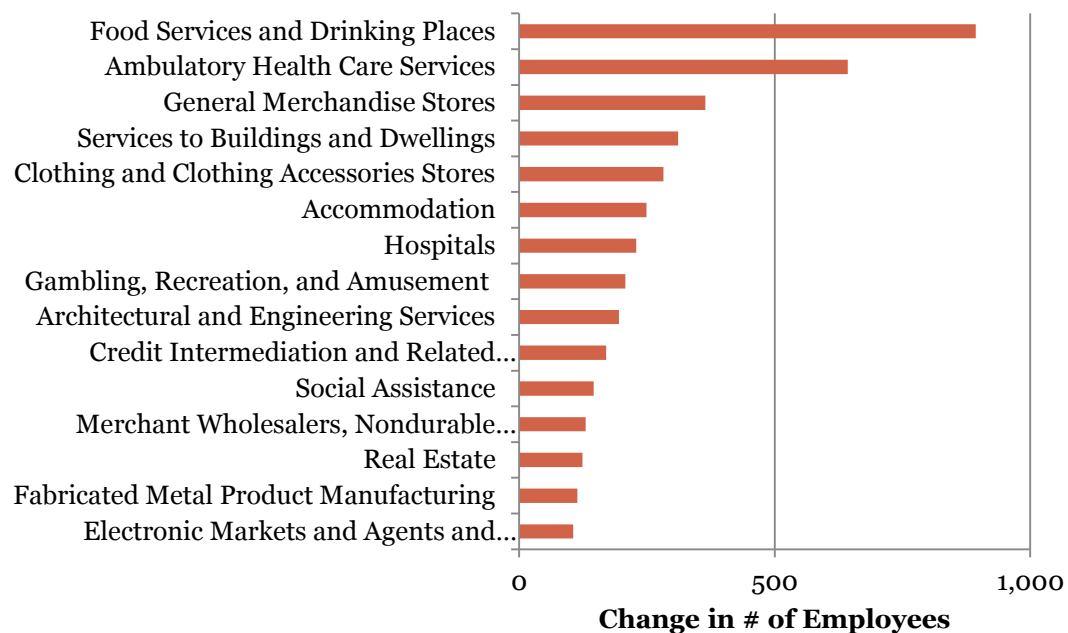
Source: Maine Department of Labor

Change in Employment by Industry Sector: York County, ME, 2001-11



Source: Maine Department of Labor

**Industry Sub-sectors with Highest Employment
Growth: York County, ME, 2001-11**



Source: Maine Department of Labor

Industry Sub-sectors with Highest Establishment Growth, by Region: 2001-2011				
Sub-sector	Rockingham- Strafford Counties	Hillsborough- Merrimack	Essex County, MA	York County, ME
Food Services and Drinking Places	Strong	Strong	Strong	Moderate
Ambulatory Health Care Services	Strong	Strong	Moderate	Modest
Office Administrative Services	Strong	Strong	*	Modest
Services to Buildings and Dwellings	Moderate	Moderate	Moderate	Moderate
Electronic Markets and Agents and Brokers	Moderate	*	Moderate	Strong
Financial Investment and Related Activities	Modest	Moderate	Modest	*
Computer Systems Design and Related Services	Modest	Moderate	*	Moderate
Business Support Services	Modest	Modest	*	Modest
Personal and Laundry Services	Modest	*	Moderate	Modest
Architectural and Engineering Services	Modest	*	*	Modest
Credit Intermediation and Related Activities	Modest	*	*	Modest
Employment Services	Modest	*	*	Modest
Other Information Services	Modest	*	*	*
Repair and Maintenance	Modest	*	*	Modest
Health and Personal Care Stores	Modest	Modest	Moderate	*
Other Professional and Technical Services	*	Modest	Moderate	*
Social Assistance	*	Modest	Moderate	*
Gambling, Recreation, Amusement Industries	*	Modest	Modest	*
Legal Services	*	Modest	*	*
Membership Associations and Organizations	*	Modest	*	*
Investigation and Security Services	*	Modest	*	*
Specialty Trade Contractors	*	*	Strong	Moderate
Construction of Buildings	*	*	Moderate	*
Food and Beverage Stores	*	*	Moderate	*
Nursing and Residential Care Facilities	*	*	Moderate	*
Real Estate	*	*	Moderate	Modest
Management and Technical Consulting Services	*	*	*	Moderate
Strong = 100+ establishment growth, Moderate = 50-99, Modest = <50				
* = not in top 15				
Source: N.H. Employment Security; MA Office of Labor & Workforce Development; ME Department of Labor				

Selected Definitions: Industry Sectors and Sub-sectors

Industry Sectors

Administrative and support services: includes office administrative services, facilities support services, employment services, business support services, travel arrangement and reservation services, investigation and security services, and services to building and dwellings.

Information: includes publishing, motion picture and sound recording industries, broadcasting, telecommunications, and data procession, hosting and related services.

Other services except public administration: includes repair and maintenance, personal and laundry services, religious grantmaking, civic, professional and similar organizations, and private household services.

Professional and technical services: includes legal services, accounting services, architectural and engineering services, specialized design services, computer systems design and related services, management, scientific and technical consulting services, scientific research and development services, and advertising and public relations services

Industry Sub-sectors

Business support services: includes document preparation services, telephone call centers, business service centers, collection agencies, and credit bureaus

Electronic markets and agents and brokers: wholesalers who they use the Internet or another electronic medium to facilitate the exchange of goods between the buyer and seller.

Other information services: includes news syndicates, libraries and archives, and internet publishing and broadcasting and web search portals

Other professional and technical services: includes marketing research and public opinion polling, photographic services, translation and interpretation services, and veterinary services.